

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: March 5, 2008

Bill Number: S.B. 993

Author: Hutto

Committee Requesting Impact: Senate

Bill Summary

A bill to enact the "Allendale County School District School Bond-Property Tax Relief Act" so as to authorize the implementation following referendum approval of a sales and use tax in Allendale County not to exceed one percent to be used for debt service on general obligation bonds issued for school construction and renovation or for direct payments for school construction and renovations.

REVENUE IMPACT ^{1/}

This bill is not expected to affect state General Fund revenue in FY2008-09. This bill is expected to increase local government revenue by an estimated \$996,639 in FY2008-09.

Explanation

This bill would enact the Allendale County School District School Bond-Property Tax Relief Act to allow the Allendale County District Board of Education by resolution to impose a sales and use tax not exceeding one percent during the next countywide referendum to finance general obligation school building bonds pursuant to Article 1 of Chapter 1, Title 59 (school bonds) of the 1976 Code, or the cost of acquisition or construction of capital improvements identified in the referendum. Allendale County had a local option capital projects sales tax that recently expired in January 2008. The local option sales tax would not be limited to the requirements of Section 4-10-310 (local option capital projects sales tax), but would also exclude grocery store food purchased in Allendale County. The county would need to adopt a resolution by ordinance of the Allendale County District Board of Education to exempt unprepared food items eligible for purchase with United States Department of Agriculture food coupons, and upon a positive outcome during a referendum, the referendum would need to be ratified. All forty-six counties exempt food purchased by individuals with food stamps for the local options sales tax, and only Clarendon County applies a sales tax to food items purchased at the local level for its local option school sales tax. Based upon data from the U.S. Department of Labor, Bureau of Labor Statistics, the South Carolina Department of Revenue, and the Board of Economic Advisor's February 11, 2008 General Fund sales and use tax estimate, Allendale County is expected to receive \$996,639 from a local option capital projects sales and use tax excluding grocery store food in FY2008-09.



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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.